

March 31, 2005 - Budget and Efficiencies

Donahue Talks About the Budget and Efficiencies

NOTE: The Commissioner's interview with Michelle Gaseau took place on March 17, 2005. This article is being republished with the permission of Corrections.com. Please read more about Surviving Lean Budget Times.

Donahue Says...

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Surviving Lean Budget Times

By Michelle Gaseau, Managing Editor

A two-year budget freeze. Unfilled, vacant positions. Closing prisons.

These are real challenges for corrections administrators in the current budget cycle, but the approaches to these problems vary from state to state. Some are forced to make quick, short-term decisions to cut the budget, while others are looking for more long-term for solutions to the rising cost of corrections. Other state agencies are trying a little bit of both.

"This is an expensive social business. Without compromising public safety and reducing the conditions of confinement for the people who are charged to be here and the staff who come to work here, we have to take every opportunity for us to be more efficient," said David Donahue, Commissioner of the Indiana Department of Correction.

Donahue walked into a budget crisis in Indiana when he took over as commissioner earlier this year. The state legislature has asked Donohue to live with a flat budget for the coming year - the second in a row for the DOC - and he has accepted the challenge.

"What that means is there is the potential for the population to rise and we don't entertain the idea of reducing services to affect public safety. We are making sure we are maximizing our resources," Donahue said.

Donahue, like his counterparts in other states, is looking at creative ways to cut the budget and make ends meet.

Cost Reducing Options

Working in a biennium budget cycle, Donahue has a few ideas for consolidating resources. First on his list is to combine expenditures in those institutions within proximity to each other. Maintenance or mechanical services, engineering and human resources could possibly be shared in Donahue's cost savings plan. Because the institutions may have different custody and staffing levels, those positions related to security are not an option for consolidation.

Also up for consideration are the service contracts that the DOC has entered into for its institutions. Trash collection, purchasing contracts and other vendor services could be combined, he said.

The other area that may be altered is food service. Donahue said the DOC has put out an RFP to contract for food service - hoping it will mean a cost savings, but not a decrease in quality or caloric requirements.

"We have done that on a small scale with four juvenile facilities with a private food service environment. There's an expectation that they can do in at a cheaper rate with their purchasing power and opportunities for commodity buying if a product can be imported," Donahue said.

Hiring private companies for these services is one common way DOCs are trying to shave dollars from their budgets.

"We'd get a better service rate; everything from the purchasing of raw materials to the networking of printers [is under consideration]. Those are low hanging fruit," he said.

Corrections officials in New Hampshire, who may also be asked to keep their budget status quo in the next cycle, have implemented similar cost-saving moves.

According to N.H. DOC spokesman Jeffrey Lyons, his agency was asked in the last budget cycle to reduce costs, so it opted not to fill vacant positions within the department such as employment counselors, technicians and secretaries. It also made changes to some of the services and programs and, like Indiana, explored its food service options.

Lyons said the department moved to a two-meal brunch and dinner program on the weekends and changed to blind serve format, which means that the inmates working in the kitchen do not know who they are serving to.

"We had issues where they might give more to their friends or people who lived in their housing units. When you take that in account, it helped save \$250,000," Lyons said.

But what the DOC would really like in the next biennial budget is to have those vacant positions filled, be able to bring equipment and facilities up to higher standards and implement a replacement program for department vehicles.

"We haven't had any significant work since 2000 -- when a new prison was built in Berlin. Since then we have had to close some housing units due to disrepair. One unit had paint chipping, so we have had to close some of those. We are [also] looking to increase some of our equipment and to fix some roofs,"

he said.

The DOC's wish list may not be fulfilled however. The latest reports out of the state's House budget sessions indicate that the department may again be asked to live with a flat budget.

Cuts on Grand Scale

Knowing the budget situation, departments are also keeping an eye on bigger ticket items that would make an even larger dent in the bottom line. Chief among them is Indiana, which is entertaining the possibility of privatizing prisons to handle a projected population increase. Donohue, who previously worked in the private prison sector, is comfortable with the idea of privatization and thinks it may help save money.

"It's been a traditional response. You forecast with some reasonableness when capacity expansion will be needed -- this state has done that -- and we can recognize that there will be a point in time when current capacity will be suspect in managing [the] future population growth. If government were to build that building, then the government would inherit the design, construction and building phases and government spends a lot of money on that," Donahue said.

Instead, Donahue wants to look into a Request for Proposal to have private prison companies spend that upfront money and then operate the prisons they would build to handle the population increase with the idea of saving the government the initial building costs.

"This an issue that's vibrant for me. You have to consider all options," he said.

Like Indiana, California officials are faced with a population increase and are considering multiple options to avoid increased costs and overcrowding.

Sentencing and Budgets

Earlier this year California Governor Arnold Schwarzenegger announced a major change in how the state's Department of Corrections would do business. It will symbolically change its name to include rehabilitation and will invest in re-entry and preparation for release programs so that offenders stay in the community after their sentences end.

In addition, the department will undergo a restructuring and consolidation of some of the services provided by both the adult and juvenile departments, which will likely mean a cost savings.

But with more than a year before these changes even begin to take shape, the California corrections department is currently faced with overcrowding that has caused facilities to open makeshift dorms and temporary sleeping areas as well as to double and sometimes triple bunk offenders.

Officials are waiting out this period, hoping that a natural drop in the inmate population and the new reforms will work together to solve some of the problems.

"In the last 25 years we have gone through a cycle of very tough on crime and [high] incarceration rates, which has been effective to a point. Now we have to be more effective in incarceration but also what comes after that," said California Youth and Adult Correction Agency (YACA) Spokesman J.P. Tremblay. "If you look at our prison system, we have multi-generational incarceration tied with affiliations with gangs. From a policy standpoint, how do you intervene and break that gang environment? That's broader question."

"The governor has been the first to say that the role of corrections is to correct and we have to be smarter at what we are doing," he added.

Robert Horel, Deputy Secretary for Finance for the YACA, said in addition to the reforms to help keep the population in the community after release, there would be some administrative cost savings from the restructuring.

"In doing the reorganization we expect some efficiencies in the administrative areas. There will be some benefits and by moving forward in automated supports [to staff] we will see some savings," he said.

He added that there would also be new functions within the department that will require staff reallocations, but that the department plans to make these shifts without asking the state legislature for additional funds.

In the interim, the department will make due, hoping that parole reforms that have already been implemented will begin to have a downward effect on the population numbers.

"We're still projecting the population is going to drop but we still think the reforms that will be put into place will have an impact. Some of it wasn't implemented as quickly as we had hoped," Horel said.

Sentencing experts agree with the kinds of reforms California has planned but also support policy changes in other states that look closer at sentences for certain offenders with an eye to reducing the inmate population.

Long-term Look

Don Stemen, Senior Program Analyst with the Vera institute of Justice's State Sentencing and Corrections program, said focusing on re-entry and parole in California is a smart idea. Because that state sees such a large number of offenders returning to the prisons system with technical violations, Stemen, believes that working to help those offenders stay in the community will benefit that state's population crisis.

Stemen also understands why other states are working on short-term budget cuts - mostly out of necessity, but fears that the quick-fix will have only immediate results and won't help them in the long run.

"Even if the national economy is recovering, the states are still feeling financial issues. These [short-term cuts] are good things to do as well, but they are not fixing bigger problems," he said.

Some states have tinkered with changes that Stemen says are "somewhat progressive" such as medical parole, geriatric parole or emergency release mechanisms that take place when a system hits a certain capacity, but he believes bigger changes are in order.

He points to efforts in other states where legislators are monitoring the population projections under current sentencing and then tweaking sentencing guidelines for certain offenders - including those with low-level drug offenses - with an eye to utilizing alternatives.

"You are also getting states that are looking to take real structural changes and looking long term to make sure more people aren't filling the prisons in the future," he said.

States such as Indiana, New Jersey and Nebraska have set up sentencing study commissions to investigate how sentences are imposed.

According to Donohue, Indiana's commission is made up of elected officials who are looking at whether to employ electronic monitoring, create diversion programs and enhance day reporting for certain offenders.

"You can't build your way out of this problem. It is a social issue. You have to look at those individuals who need to be placed in those facilities; we need to do that and do it well. But there is a reasonable number that aren't required to be placed in institutional settings," he said.

Stemen said other jurisdictions are specifically targeting drug offenders and have developed mandatory probation programs, drug treatment in lieu of incarceration, and reduced mandatory minimums and allowed these offenders to earn good time credits.

But Ryan King of The Sentencing Project does not expect these sentencing adjustments will lead to any wholesale modifications.

"The fact is [legislators] are passing these laws and going out and saying they are tough and can gain favor among constituents, but in terms of the prison population people don't make that link [to the prison population]. It's not so much that they [don't] link it to the policy, it's kind-of a disconnect," said King. "[Then] you have the tension between the people who pass the law and the people who have to implement it. We are trying to reconnect that and say to people this is why this problem exists; you have a 120 percent capacity rate because of the laws they passed not because it is inevitable."

Stemen is optimistic that some of these sentencing and policy changes resulting from the budget crises in the states will be lasting.

"The budget crisis has opened this window of opportunity. It got liberals and conservatives to talk about budgeting. They were able to come to the same page," he said. "It could have a long lasting effect. There's only a certain time frame when this window is open. The economy will change and fiscal conservatives won't be willing to talk about this [after that]. [But] in some states you are really seeing a shift in attitudes about what prisons are really all about.